

CIRCULAR DATED 16 MAY 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular (as defined herein) is issued by Sim Leisure Group Ltd. (the “Company”). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled “DEFINITIONS”.

This Circular, together with the Notice of EGM and the accompanying Proxy Form have been made available on SGXNet and the Company’s website at <https://simleisuregroup.com/announcements>. **A printed copy of this Circular, together with the Notice of EGM and the accompanying Proxy Form will NOT be despatched to Shareholders.**

If you have sold or transferred all your Shares, you should immediately inform the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular, together with the Notice of EGM and the accompanying Proxy Form, may be accessed via SGXNet and the Company’s website at <https://simleisuregroup.com/announcements>.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalyst. This Circular has not been examined by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Ms Goh Mei Xian, Associate Director, ZICO Capital Pte. Ltd. at 8 Robinson Road #9-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.



SIM LEISURE GROUP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200800853Z)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED ADOPTION OF THE INTERESTED PERSON TRANSACTIONS GENERAL MANDATE

Independent Financial Adviser to the Independent Directors of the Company



PROVENANCE CAPITAL
PROVENANCE CAPITAL PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200309056E)

IMPORTANT DATES AND TIMES

Last date and time to pre-register online to attend the Extraordinary General Meeting	:	28 May 2021 at 11:00 a.m.
Last date and time for lodgement of Proxy Form	:	28 May 2021 at 12:00 p.m.
Date and time of Extraordinary General Meeting	:	31 May 2021 at 12:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held at 11:00 a.m. on the same day)

Place of Extraordinary General Meeting

: The EGM will be held by way of electronic means. Please refer to the Company's announcement dated 16 May 2021 for further information.

CONTENTS

	PAGE
DEFINITIONS.....	4
1. INTRODUCTION	8
2. THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE	8
3. INDEPENDENT DIRECTORS' RECOMMENDATIONS	17
4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES.....	17
5. EXTRAORDINARY GENERAL MEETING	18
6. ACTION TO BE TAKEN BY SHAREHOLDERS	18
7. ABSTENTION FROM VOTING	18
8. CONSENT FROM INDEPENDENT FINANCIAL ADVISER.....	18
9. DIRECTORS' RESPONSIBILITY STATEMENT	19
10. DOCUMENTS FOR INSPECTION.....	19
APPENDIX I – IFA LETTER.....	20
NOTICE OF EGM.....	31
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

- “AGM”** : The annual general meeting of the Company
- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee”** : The audit committee of the Company from time to time
- “Board”** : The board of Directors of the Company as at the date of this Circular or from time to time as the case may be
- “Catalist”** : The Catalist Board of the SGX-ST
- “Catalist Rules”** : SGX-ST Listing Manual Section B: Rules of Catalist, as the same may be amended, varied or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “CEO”** : Chief Executive Officer
- “Circular”** : This Circular to Shareholders dated 16 May 2021
- “Company”** : Sim Leisure Group Ltd.
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time

“Controlling Shareholder”	: A person who:
	(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
	(b) in fact exercises control over the Company
“Director”	: A director of the Company as at the date of this Circular or from time to time, as the case may be
“EGM”	: The extraordinary general meeting of the Company to be held by way of electronic means on Monday, 31 May 2021 at 12:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held at 11:00 a.m. on the same day), notice of which is set out on page 31 of this Circular
“entity at risk”	: Has the meaning ascribed to it in the Catalist Rules and as reproduced in Section 2.2 of this Circular
“FY”	: Financial year ended or ending 31 December, as the case may be
“Group”	: The Company and its subsidiaries as at the date of this Circular
“IFA”	: Provenance Capital Pte. Ltd., being the independent financial adviser to the Independent Directors in relation to the proposed adoption of the IPT General Mandate
“IFA Letter”	: The letter dated 16 May 2021 from the IFA in relation to the proposed adoption of the IPT General Mandate
“Independent Directors”	: The Directors who are independent for the purposes of the proposed IPT General Mandate, namely Mr Tay Eng Kiat Jackson, Ms Yong Oi Ling, Mr Chung Yew Pong and Mr Tan Boon Seng
“interested person”	: Has the meaning ascribed to it in the Catalist Rules and as reproduced in Section 2.2 of this Circular
“interested person transaction”	: Has the meaning ascribed to it in the Catalist Rules and as reproduced in Section 2.2 of this Circular

“IPT General Mandate”	:	A general mandate given by Shareholders pursuant to Chapter 9 of the Catalist Rules to authorise the Company and its subsidiaries which are considered to be “entities at risk” within the meaning of Rule 904(2) of the Catalist Rules, in their ordinary course of businesses, to enter into categories of transactions with specified classes of the Company’s Interested Persons, provided that such transactions are entered into on an arm’s length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
“Latest Practicable Date”	:	10 May 2021, being the latest practicable date prior to the printing of this Circular
“Mandated Interested Person”	:	SLC
“Mandated Transactions”	:	The category of transactions set out in Section 2.4.3 of this Circular with the Mandated Interested Person
“Notice of EGM”	:	The notice of EGM accompanying this Circular
“NTA”	:	Net tangible assets
“Proxy Form”	:	The proxy form accompanying this Circular
“RM”	:	Malaysia Ringgit, the lawful currency of Malaysia
“S\$”	:	Singapore Dollar, the lawful currency of Singapore
“Securities and Futures Act”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares (other than the CDP) and in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“SLC”	:	Sim Leisure Consultants Sdn. Bhd., being an associate of Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva
“Sponsor”	:	ZICO Capital Pte. Ltd.
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all voting Shares in the Company

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act.

Any word defined under the Companies Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws and regulations (including the Catalist Rules) are as at the Latest Practicable Date.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference to a time of a day in the Circular is a reference to Singapore time.

For the purposes of this Circular, Lee & Lee has been appointed as the legal counsel to the Company in relation to the drafting of this Circular.

SIM LEISURE GROUP LTD.
(Incorporated in the Republic of Singapore)
Company Registration No.: 200800853Z)

Directors:

Sim Choo Kheng	Executive Director and CEO
Silviya Georgieva Georgieva	Executive Director
Tay Eng Kiat Jackson	Chairman and Independent Director
Yong Oi Ling	Independent Director
Chung Yew Pong	Independent Director
Tan Boon Seng	Non-Independent Non-Executive Director

Registered Office:

138 Robinson Road
#26-03, Oxley Tower
Singapore 068906

Date: 16 May 2021

To: The Shareholders of Sim Leisure Group Ltd.

Dear Sir / Madam,

THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

1. INTRODUCTION

1.1 EGM

The Directors are convening an EGM to be held on Monday, 31 May 2021 at 12:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held at 11:00 a.m. on the same day) to seek approval of the Shareholders for the proposed adoption of the IPT General Mandate (as an ordinary resolution) (the “**Proposed Resolution**”).

1.2 Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to, and explaining the rationale for, the Proposed Resolution which shall be tabled at the EGM. The Notice of EGM is set out on page 31 of this Circular.

The SGX-ST assumes no responsibility for the correctness of any statements or opinions made, or reports contained in this Circular.

2. THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

2.1 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (each known as an “entity at risk”) enters into or proposes to enter into with a party who is an “interested person” of the listed company. The objective of Chapter 9 (as stated in Rule 901 of the Catalist Rules) is to guard against the risk that such interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders. The main terms used in Chapter 9 of the Catalist Rules such as “entity at risk” and “interested person” as well as other terms used are defined in the Section entitled “Definitions” of this Circular and in Section 2.2 of this Circular.

2.2 Main terms used in Chapter 9 of the Catalist Rules

For the purposes of Chapter 9 of the Catalist Rules:

- (a) an “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules;
- (b) an “entity at risk” means:
 - (i) the issuer;
 - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;
- (c) an “interested person” means (i) a director, chief executive officer, or controlling shareholder of the issuer; or (ii) an Associate of any such director, chief executive officer, or controlling shareholder;
- (d) an “interested person transaction” means a transaction between an “entity at risk” and an “interested person”; and
- (e) a “transaction” includes (i) the provision or receipt of financial assistance; (ii) the acquisition, disposal or leasing of assets; (iii) the provision or receipt of goods or services; (iv) the issuance or subscription of securities; (v) the granting of or being granted options; and (vi) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

2.3 General requirements applicable to interested person transactions

Under Chapter 9 of the Catalist Rules, an immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

In particular, under Rule 905 of the Catalist Rules, an immediate announcement is required where:

- (a) the value of an interested person transaction is equal to, or more than, 3% of the listed group’s latest audited NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, amounts to 3% or more of the listed group’s latest audited NTA.

Under Rule 906 of the Catalist Rules (“**5% Threshold**”), in addition to an immediate announcement, shareholders’ approval is required for an interested person transaction of a value equal to, or more than:

- (i) 5% of the listed group’s latest audited NTA; or
- (ii) 5% of the listed group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial

year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000 and certain transactions listed under Rules 915 and 916 of the Catalist Rules. However, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction.

Based on the Group's audited consolidated financial statements for FY2020, 3% and 5% of the latest audited consolidated NTA of the Group of RM63.34 million as at 31 December 2020 is approximately RM1.90 million and RM3.17 million (or approximately S\$0.63 million and S\$1.04 million, based on the illustrative currency exchange rate of S\$1 : RM3.0354 as at 31 December 2020).

For FY2020, the aggregate value of the transactions entered into by the Group with SLC (excluding transactions below S\$100,000) is approximately RM1.87 million as disclosed in the Company's announcement dated 10 February 2021, representing approximately 3.65% of the last audited NTA of the Group as at 31 December 2019. For the financial period from 1 January 2021 to the Latest Practicable Date, the aggregate value of the transactions entered into by the Group with SLC (excluding transactions below S\$100,000) is none.

The above transactions with SLC in FY2020 were mainly in the provision of services to the Group in relation to the design, construction, upgrading and maintenance of theme parks and related fixtures for the Group's own theme parks, as well as procurement of supplies and materials relating thereto. Going forward, the Company envisages that the Group may continue to engage SLC for such services and the value of such services, including other Mandated Transactions (excluding transactions below S\$100,000), may exceed the 5% Threshold.

Rule 920 of the Catalist Rules allows a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons where such transactions are of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, and the provision of services, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate granted by Shareholders is subject to annual renewal.

2.4 The IPT General Mandate

2.4.1 Rationale for and benefits of the adoption of the IPT General Mandate

The Group envisages that certain interested person transactions will occur with some degree of frequency and could arise at any time and from time to time, as they are recurring transactions and are part of the day-to-day operations of the Group.

In lieu of seeking the specific approval of Shareholders for such transactions which are in the Group's ordinary course of business whenever the need arises, the Company is proposing the adoption of the IPT General Mandate to enable the Group to enter in the ordinary course of business into any of the Mandated Transactions with the Mandated Interested Person, provided that such Mandated Transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such Mandated Transactions.

The adoption of the IPT General Mandate will:

- (a) facilitate entry into the Mandated Transactions with the Mandated Interested Person

in the ordinary course of the Group's business;

- (b) allow the Group to benefit from the Mandated Interested Person's specialisation and experience of over twenty years in the construction industry with a focus on theme parks. By having access to such design and construction services, the Group will derive operational efficiency and savings, and obtain the assurance that the Company's projects will be completed in a timely manner;
- (c) eliminate the need for the Company to convene separate general meetings on each occasion, pursuant to the thresholds imposed under Chapter 9 of the Catalyst Rules as described in Section 2.3 above, to seek Shareholders' approval as and when such transactions with the Mandated Interested Person arise, thereby:
 - (i) reducing substantially the time, inconvenience, costs and administrative expense associated with convening such meetings;
 - (ii) allowing manpower resources and time to be channelled towards attaining corporate objectives rather than to the convening of repeated Shareholders' meetings;
 - (iii) avoid delay in the execution of transactions which facilitate the Group's business; and
 - (iv) enabling the Group to maintain its overall competitiveness, and not be placed at a disadvantage as compared to other parties that do not require shareholders' approval to be obtained for entering into such transactions.

2.4.2 Mandated Interested Person

For the purpose of the IPT General Mandate, the Mandated Interested Person is SLC.

The IPT General Mandate will apply to the Mandated Transactions that are carried out between any entity at risk and the Mandated Interested Person, SLC, which is an Associate (as described below) of Mr. Sim Choo Kheng (Executive Director and CEO of the Company) and his spouse, Ms. Silviya Georgieva Georgieva (Executive Director of the Company). As at the Latest Practicable Date, Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva respectively hold 99.8% and 0.2% of the issued and paid-up capital of SLC. Both of them are also the only 2 directors of SLC but are not involved in the day-to-day operations of SLC. SLC does not hold any shares in the Company. SLC is an "Associate" of Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva, and accordingly an "interested person" set out in Section 2.2 of this Circular.

SLC is a private company incorporated and based in Malaysia, and is a registered contractor with the Construction Industry Development Board of Malaysia holding a G6 licence. SLC is run and operated by its own management team comprising design managers, project managers, engineers and finance and administration managers, which is separate and independent of the Group. SLC's principal activity is in the business of design and construction of theme attractions in theme parks. Although SLC currently does not have any third party customers (other than the Group), SLC has the operational capabilities to also serve third party customers. Some of the past projects which SLC carried out for third party customers (other than the Group) include Sunway Lagoon Theme Park in Malaysia and Universal Studios Singapore.

As it is anticipated that the Group may transact with SLC in the manner set out in Section 2.4.3 below in the ordinary course of its business, the Company proposes the adoption of the IPT General Mandate.

2.4.3 Categories of mandated interested person transactions (“Mandated Transactions”)

The categories of the interested person transactions to which the IPT General Mandate is applicable are as follows:

- (a) provision by SLC of services in the design and construction of the theme parks, and buildings and fixtures related to or located in the theme parks managed and operated by the Group from time to time;
- (b) provision by SLC of upgrading, retrofitting, maintenance, landscaping and renovation services for the theme parks managed and operated by the Group from time to time; and
- (c) purchase by SLC on behalf of the Group of services and materials from third party vendors for the purposes of the Group’s operations and projects.

Taking into consideration the nature of the above-mentioned transactions and Rule 905(5) of the Catalist Rules, the proposed IPT General Mandate will cover all Mandated Transactions even if they fall below S\$100,000.

All transactions that do not fall within the ambit of the proposed IPT General Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

2.4.4 Benefits to the Group

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the adoption of the IPT General Mandate to enable the Group to enter in the ordinary course of business into any of the Mandated Transactions with the Mandated Interested Person, provided that such Mandated Transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such Mandated Transactions.

The proposed IPT General Mandate, if approved by Shareholders at the EGM, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders’ prior approval for each separate Mandated Transaction to be entered into between the Group and the Mandated Interested Person of a revenue nature or those necessary for its business or operations. This will substantially reduce the expenses and time associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives. It will also enable the Group to capitalise on commercial and business opportunities that may avail themselves promptly, in order to ensure competitiveness, and not be placed at a disadvantage to other competitors.

The proposed IPT General Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Mandated Interested Person, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

2.5 **Guidelines and review procedures for the Mandated Transactions**

2.5.1. Introduction

The Group has put in place internal control systems to ensure that transactions with the interested persons (including the Mandated Interested Person) are made on normal

commercial terms, and are consistent with the Group's usual business practices and policies. The Audit Committee will also review and approve all interested person transactions (including the Mandated Transactions) on a quarterly basis to ensure that they are on normal commercial terms and on arm's length basis and are not prejudicial to the interests of the Company and its minority Shareholders in any way.

The Board will also ensure that all disclosure, approval and other requirements on the Mandated Transactions, including those required by prevailing legislation, the Catalyst Rules and accounting standards, are complied with.

2.5.2. Guidelines and review procedures

To ensure that all Mandated Transactions with the Mandated Interested Person are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the following procedures will be implemented by the Group:

- (a) when engaging the design and/or construction services of the Mandated Interested Person, obtaining quotations from independent third party vendors may be difficult since the theming design and construction industry is a specialised trade and there may not be many contractors who are able to provide equivalent services of the same desired quality. Hence, the Group will engage an independent quantity surveyor to issue a bill of quantities report which will provide a reasonable market benchmark for the costs involved. In this case, the fee for such services by the Mandated Interested Person shall be a mark-up of 15% on the amount reflected in the final bill of quantities report prepared by the independent quantity surveyor. The Company is of the view that a mark-up of 15% on such amount is reasonable as it is determined with reference to the past margins charged by SLC to the Group and other third party customers of SLC;
- (b) when engaging any upgrading, retrofitting, maintenance, landscaping and renovation services (save for the services set out under Paragraph 2.5.2(c) below) from the Mandated Interested Person, the charges payable by the Group shall be the actual cost incurred by the Mandated Interested Person in providing such services and related supply of materials, plus a pre-determined mark-up of 15%. Such services are expected to be lower in value compared to, and form part of the design and / or construction services provided by SLC to the Group. The Company is of the view that a mark-up of 15% on such amount is reasonable as it is determined with reference to the past margins charged by SLC to the Group and other third party customers of SLC, taking into consideration the resultant operational efficiency and assurance the Group will obtain that the Company's projects will be completed in a timely manner; and
- (c) where the Mandated Interested Person purchases materials or engages services from third party vendors on behalf of the Group for the purpose of the Group's operations and projects, the costs payable by the Group shall be on a cost-reimbursement basis with respect to the costs incurred by the Mandated Interested Person in purchasing the materials or engaging the services, plus a pre-determined mark-up of 10%. The Company is of the view that such transactions will enable the Group to benefit from the close relationships and favourable credit terms established between SLC and such third party vendors. The Company is of the view that a mark-up of 10% is reasonable in this case to cover the administrative resources and financing costs incurred by SLC when procuring such materials and services on behalf of the Group.

2.5.3. Approval thresholds

In addition to the guidelines and review procedures set out in Section 2.5.2 above, the following approval thresholds had been implemented to ensure that the Mandated Transactions are undertaken on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders:

(a) Category 1 threshold

The Category 1 threshold shall apply where the value of the Mandated Transaction entered into with the Mandated Interested Person is equal to or in excess of 3.0% of the latest audited NTA of the Group. Such Mandated Transaction must be reviewed and approved by the majority of the Audit Committee prior to entry of the same; and

(b) Category 2 threshold

The Category 2 threshold shall apply where the value of the Mandated Transaction entered into with the Mandated Interested Person is below 3.0% of the latest audited NTA of the Group. Such Mandated Transactions need not be approved by the Audit Committee prior to entry of the same but must be approved by (i) a member of the Audit Committee; and (ii) an executive officer as designated by the Audit Committee from time to time, or otherwise by another member of the Audit Committee, who shall not be an interested person, in respect of the particular transaction prior to entry. Where Category 2 Mandated Transactions are of a similar nature or category, such Category 2 Mandated Transactions will be aggregated, and where the value of such aggregated transactions amounts to or exceeds 3.0% of the Group's latest audited NTA, any subsequent Category 2 Mandated Transaction of a similar nature or category entered into with the same Mandated Interested Person during the same financial year will be subject to the review and approval by the majority of the Audit Committee prior to entry. Where the aggregate value of Category 2 Mandated Transactions amounts to or exceeds 3.0% of the Group's latest audited NTA, any subsequent Category 2 Mandated Transaction entered into with the same Mandated Interested Person during the same financial year will also be subject to the review and approval by the majority of the Audit Committee prior to entry.

The threshold limits set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, frequency and size of the Mandated Transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at with a view to strike a balance between (i) maximising the operational efficiency for the day-to-day business operations of the Group; and (ii) maintaining adequate internal controls and governance for the Mandated Transactions. The approval thresholds act as an additional safeguard to supplement the review procedures which had been implemented by the Company for interested person transactions generally. The Audit Committee will consider the revision of the approval thresholds as and when necessary and appropriate.

2.5.4. Register of Interested Person Transactions

The Company shall prepare all the relevant information to assist the Audit Committee in its review and will continue to keep a register to record all interested person transactions, including the Mandated Transactions as well as all interested person transactions below S\$100,000 in value (the "IPT Register"). The IPT Register records all information pertinent to the interested person transactions, including the identity of the interested persons involved in the interested person transactions, the nature and scope of the interested person transactions, the basis and amount.

The IPT Register is prepared, maintained and monitored by management personnel such as the Finance Manager (who shall not be interested in any of the interested person transactions) and who are duly delegated to do so by the Audit Committee.

2.5.5. Review by internal auditors

Where appropriate, the Group will incorporate a review of all interested person transactions, entered into at least on an annual basis, in its internal audit plan. The internal auditors will review the interested person transactions to check that, amongst other things, the relevant approvals have been obtained and the guidelines and review procedures for the interested person transactions have been adhered to. The internal auditors will forward their internal audit reports to the Audit Committee.

These internal audit reports will be reviewed by the Audit Committee on an annual basis to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with.

2.5.6. Periodic reviews by Audit Committee

The Audit Committee shall on a quarterly basis or for such other periods as determined by the Audit Committee (but in any event not less frequent than once every quarter), review the IPT Register, and the basis and documents of all approved interested person transactions, to ensure that the interested person transactions have been conducted in accordance with the established procedures for review, and that the procedures for review, approvals as well as monitoring and administration are adequate, sufficient and adhered to, in ensuring that interested person transactions are undertaken on normal commercial terms, on an arm's length basis and will not be prejudicial to the interests of the Company and its minority Shareholders.

Pursuant to Rule 920(1)(b)(vii) of the Catalist Rules, if during its periodic review, the Audit Committee is of the opinion that the guidelines and procedures as stated above are inappropriate or not sufficient in the event of changes to the nature of, or manner in which, the business activities of the Group and / or SLC are conducted, the Company will seek a fresh mandate from Shareholders, where applicable, based on new guidelines and procedures to ensure that the Mandated Transactions will be carried out on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. During the period prior to obtaining a fresh mandate from Shareholders, all transactions with the Mandated Interested Person will be subject to prior review and approval by the Audit Committee.

2.5.7. Interested members of the Audit Committee to abstain

In the event that any member of the Audit Committee is interested (directly or indirectly) in any transaction, he will abstain from participating in the review and approval process in relation to that particular transaction to ensure that the transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

2.6 **Disclosure**

In accordance with Rule 920(1)(a)(ii) of the Catalist Rules, the Company shall announce the aggregate value of the Mandated Transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate for each financial period which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report.

In accordance with Rule 920(1)(a)(i) of the Catalist Rules, disclosure shall also be made in the annual report of the Company of the aggregate value of the Mandated Transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT General Mandate is in force.

The name of the interested person and the corresponding aggregate value of the interested person transactions shall be presented in the following format in accordance with Rule 907 of the Catalist Rules:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
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2.7 Validity period of the IPT General Mandate

The proposed adoption of the IPT General Mandate is subject to Shareholders' approval at the EGM, and if approved, will take effect from the date of the passing of the Proposed Resolution relating thereto at the EGM, and will (unless revoked or varied by the Company in general meeting) continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is earlier. The renewal of the IPT General Mandate will be sought at each subsequent AGM (or EGM held on the same day as the AGM) subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Mandated Interested Person.

2.8 Advice of the independent financial adviser to the Independent Directors

Provenance Capital Pte. Ltd. has been appointed the independent financial adviser ("IFA") to the Independent Directors in relation to evaluating whether the review procedures set out in Section 2.5 of this Circular are sufficient to ensure that the Mandated Transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Having regard to the matters set out in the IFA Letter dated 16 May 2021 to the Independent Directors, the IFA is of the opinion that the guidelines and review procedures set out in Section 2.5 above for determining transaction prices pursuant to the IPT General Mandate, when fully adhered to, are sufficient to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter is reproduced in Appendix I to this Circular.

2.9 Audit Committee Statement

The Audit Committee, comprising Mr. Tay Eng Kiat Jackson, Mr. Chung Yew Pong and Ms. Yong Oi Ling, all of whom are considered independent for the purposes of considering the IPT General Mandate, having considered, *inter alia*, the rationale, benefits and review procedures for the Mandated Transactions and the reviews to be made periodically by the Audit Committee in relation thereto, are of the view that the guidelines and review procedures set out in Section 2.5 above for determining transaction prices pursuant to the

IPT General Mandate, when fully adhered to, are sufficient to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. INDEPENDENT DIRECTORS' RECOMMENDATIONS

The Independent Directors having considered, *inter alia*, the rationale and information relating to the proposed adoption of the IPT General Mandate, the opinion of the IFA as set out in the IFA Letter for the proposed adoption of the IPT General Mandate, are of the opinion that it is in the interests of the Company that the Group be permitted to have the flexibility to enter into the Mandated Transactions described in Section 2.4.3 above in their ordinary course of business with the Mandated Interested Person for reasons stated in this Circular. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the Proposed Resolution relating to the adoption of the IPT General Mandate.

The Independent Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to the IPT General Mandate should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The details of the Directors' interests and Substantial Shareholders' interests in the Company as at the Latest Practicable Date are set out as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors						
Sim Choo Kheng	91,183,730	61.93	-	-	91,434,730	61.93
Silviya Georgieva Georgieva	665,395	0.45	-	-	665,395	0.45
Tay Eng Kiat Jackson	-	-	-	-	-	-
Yong Oi Ling	-	-	-	-	-	-
Chung Yew Pong	32,000	0.02	-	-	32,000	0.02
Tan Boon Seng ⁽²⁾	1,000,000	0.67	25,845,000	17.65	26,845,000	18.32
Substantial Shareholder(s) (other than Directors)						
Desamal Capital Sdn Bhd ⁽²⁾	25,845,000	17.65	-	-	25,845,000	17.65

Notes:

- (1) Based on 147,647,500 Shares in issue as at the Latest Practicable Date.
- (2) The entire issued and paid-up share capital of Desamal Capital Sdn Bhd (formerly known as Tropika Kiara Sdn. Bhd.) ("**DCSB**") is held by RHB Trustees Berhad as bare trustee for the SWY Trust. The SWY Trust is a family trust and the named beneficiaries are Mr Tan Boon Seng, Mr Tan Boon Yao and Mr Tan Boon Wy ("**Named Beneficiaries**"). The Named Beneficiaries are also settlors of the SWY Trust. Mr Tan Boon Seng is also in charge of operating the assets within the SWY Trust. Mr Tan Boon Seng is also a Director of DCSB. By virtue of Section 4 of the Securities and Futures Act, Mr Tan Boon Seng is deemed to have an interest in the Shares in the Company held by DCSB.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Resolution (other than through their respective shareholdings in the Company).

5. EXTRAORDINARY GENERAL MEETING

An EGM will be held by way of electronic means on Monday, 31 May 2021 at 12:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held at 11:00 a.m. on the same day) for the purpose of considering and, if thought fit, passing, with or without any modifications, the Proposed Resolution as set out in the Notice of EGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to vote on the Proposed Resolution at the EGM must appoint the Chairman of the EGM as their proxy by completing the Proxy Form as attached to the Notice of EGM.

Please refer to the alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM as set out in the Company's announcement dated 16 May 2021, which has been uploaded together with this Circular on SGXNet and the Company's corporate website at <https://simleisuregroup.com/announcements> on the same day.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the time fixed for the holding of the EGM.

7. ABSTENTION FROM VOTING

Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva, both of whom are Executive Directors and deemed Controlling Shareholders of the Company, are also directors and deemed controlling shareholders of the Mandated Interested Person, SLC. Mr. Sim Choo Kheng, Ms. Silviya Georgieva Georgieva and their respective Associates will therefore abstain from voting at the EGM on the Proposed Resolution in respect of the IPT General Mandate. Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva have also abstained from deliberating and making any recommendation in respect of the Proposed Resolution relating to the IPT General Mandate. Mr. Sim Choo Kheng, Ms. Silviya Georgieva Georgieva, and their respective Associates will decline to accept appointments as proxy from any Shareholders to vote on the Proposed Resolution. The Company will disregard any votes cast by Mr. Sim Choo Kheng, Ms. Silviya Georgieva Georgieva, and their respective Associates on the Proposed Resolution.

In addition, SLC has undertaken to ensure that its Associates will abstain from voting in respect of the Proposed Resolution. SLC shall also decline, and has undertaken to ensure that its Associates shall also decline, to accept appointment as proxies to vote on the Proposed Resolution.

8. CONSENT FROM INDEPENDENT FINANCIAL ADVISER

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its IFA Letter dated 16 May 2021 as set out in Appendix I to this Circular and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

10. DOCUMENTS FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents may be inspected at the registered office of the Company at 138 Robinson Road, #26-03 Oxley Tower, Singapore 068906 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2020;
- (c) the IFA Letter; and
- (d) the consent letter from the IFA in respect of the IFA's consent referred to in Section 8 of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
SIM LEISURE GROUP LTD.

TAY ENG KIAT JACKSON
Chairman and Independent Director

APPENDIX I – IFA LETTER

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

16 May 2021

To: The Independent Directors of Sim Leisure Group Ltd.
(deemed to be independent in respect of the IPT General Mandate)

Mr Tay Eng Kiat Jackson	(Chairman and Independent Director)
Ms Yong Oi Ling	(Independent Director)
Mr Chung Yew Pong	(Independent Director)
Mr Tan Boon Seng	(Non-Independent Non-Executive Director)

Dear Sirs/Mdm,

THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

*Unless otherwise defined or the context otherwise requires, all terms used in this letter (“**Letter**”) have the same meanings as defined in the circular to the shareholders (“**Shareholders**”) of Sim Leisure Group Ltd. (“**Company**” and together with its subsidiaries, the “**Group**”) dated 16 May 2021 (“**Circular**”).*

1. INTRODUCTION

1.1 The Group is a developer and operator of theme parks, in particular, the ESCAPE brand of theme parks in Malaysia. The Company was listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 1 March 2019 and has a market capitalisation of approximately S\$30.27 million as at May 10 2021, being the Latest Practicable Date as defined in the Circular.

Mr Sim Choo Kheng (“**Mr Sim**”) is the Founder of the Group, the Executive Director and CEO of the Company, and owns directly approximately 61.93% shareholding interest in the Company as at the Latest Practicable Date. His spouse, Ms Silviya Georgieva Georgieva (“**Ms Georgieva**”) who is also an Executive Director of the Company, has a direct interest of 0.45% in the Company as at the Latest Practicable Date.

1.2 The Group had in the past, transacted with Sim Leisure Consultants Sdn. Bhd. (“**SLC**”) in relation to, *inter alia*, certain construction and maintenance works for the Group’s theme parks, including appointing SLC as the main contractor for the construction of the ESCAPE Gravityplay theme park in Penang, Malaysia.

SLC is a company based in Malaysia which is principally engaged in the design and construction of theme parks, with over twenty years of experience in this industry. SLC is owned by Mr Sim (99.8%) and his spouse, Ms Georgieva (0.2%). SLC is deemed as an “interested person” (“**Interested Person**”), and the transactions entered into between SLC and the Group would constitute “interested person transactions” (“**IPTs**”) under Chapter 9 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”).

- 1.3 Going forward, as the Group continues to expand its business and operations, it is envisaged that such future IPTs with SLC (excluding transactions that are less than S\$100,000) may equal to and/or exceed 5% of the Group's relevant audited net tangible assets ("**NTA**") ("**5% Threshold**"). As an illustration, based on the latest audited financial statements of the Group for the financial year ended 31 December 2020 ("**FY2020**"), the audited NTA of the Group was RM63.04 million as at 31 December 2020. The relevant 5% Threshold would amount to RM3.15 million.

Pursuant to Rule 906 of the Catalist Rules, Shareholders' approval is required for (i) an IPT of a value or (ii) IPTs entered into with the same Interested Person during the same financial year with an aggregate value, which equals to or exceeds the 5% Threshold.

Rule 920 of the Catalist Rules allows a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons where such transactions are of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate granted by Shareholders is subject to annual renewal.

In view of the time-sensitive and recurrent nature of such future IPTs with SLC, the Company is seeking Shareholders' approval at the forthcoming extraordinary general meeting ("**EGM**") to adopt the Shareholders' mandate for such recurring IPTs with SLC ("**IPT General Mandate**"). The proposed IPT General Mandate, if approved at the EGM, will *inter alia* facilitate the entry into these commercial transactions and eliminate the need and hence the time and resources for the Company to convene separate general meetings on each occasion.

- 1.4 The IPT General Mandate is also subject to the opinion of the independent financial adviser ("**IFA**") pursuant to Rule 920(1)(b) of the Catalist Rules. In this regard, Provenance Capital Pte. Ltd. ("**Provenance Capital**") has been appointed as the IFA to render an opinion to the Directors of the Company who are deemed independent in respect of the IPT General Mandate ("**Independent Directors**"), on whether the guidelines and review procedures for determining the terms of the IPTs, if adhered to, are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders ("**Minority Shareholders**").

- 1.5 The directors of the Company ("**Directors**") as at the Latest Practicable Date are as follows:

- (i) Mr Sim (Executive Director and CEO)
- (ii) Ms Georgieva (Executive Director)
- (iii) Mr Tay Eng Kiat Jackson (Chairman and Independent Director)
- (iv) Ms Yong Oi Ling (Independent Director)
- (v) Mr Chung Yew Pong (Independent Director)
- (vi) Mr Tan Boon Seng (Non-Independent Non-Executive Director)

Mr Sim and Ms Georgieva are deemed Interested Persons and, as Directors, they will abstain from making any recommendation to the Shareholders in relation to the IPT General Mandate, and they and their associates will also abstain from voting on their shares in the Company ("**Shares**") on the ordinary resolution relating to the IPT General Mandate at the EGM.

The Company has confirmed that the remaining four Directors, Mr Tay Eng Kiat Jackson, Ms Yong Oi Ling, Mr Chung Yew Pong and Mr Tan Boon Seng are deemed as Independent Directors for the purpose of the IPT General Mandate.

- 1.6 This Letter is issued pursuant to Rule 920(1)(b) of the Catalist Rules as well as addressed to the Independent Directors. This Letter sets out, *inter alia*, our evaluation and opinion on the IPT General Mandate and forms part of the Circular which provides, *inter alia*, the details of the IPT General Mandate and the recommendation of the Independent Directors.

2. **TERMS OF REFERENCE**

Provenance Capital has been appointed as the IFA pursuant to Rule 920(1)(b) of the Catalist Rules as well as to advise the Independent Directors in respect of the IPT General Mandate. We are not and were not involved in or responsible for, in any aspect, the discussions in relation to the IPT General Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the IPT General Mandate or to obtain the approval of the Shareholders for the IPT General Mandate, and we do not, by this Letter, warrant the merits of the IPT General Mandate, other than to express an opinion on whether the guidelines and review procedures set out in the IPT General Mandate are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the IPT General Mandate or to compare their relative merits vis-à-vis alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comments. Such evaluation or comments, if any, remains the responsibility of the Directors and/or the management of the Company (“**Management**”) although we may draw upon the views of the Directors or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors, the Management and/or their professional advisers (where applicable) and have examined and relied on the information set out in the Circular, other publicly available information collated by us as well as information provided and representation made to us, both written or verbal, by the Directors, the Management and/or the professional advisers (where applicable). Whilst care has been exercised in reviewing the information which we have relied upon, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and exercised our judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the IPT General Mandate have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised our judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the IPT General Mandate, the Company and the Group which we have relied upon in arriving at our opinion has been obtained from publicly available information and/or from the Directors and the Management and the professional advisers (where applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company and/or the Group at any time or as at the Latest Practicable Date.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Shareholders' approval has been obtained for the IPT General Mandate. Such review or comments, if any, remain the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter. We were also not required or authorised to obtain, and we have not obtained, any quotation or transaction price from third parties for the provision of services and/or products similar to those which are to be covered by the IPT General Mandate, and therefore are not able to, and will not compare the transactions with similar transactions with third parties.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment). As such, we will be relying on the disclosures and representations made by the Company on the value of the assets and liabilities, and profitability of the Company and/or the Group (where applicable). We have not been furnished with any such evaluation or appraisal.

Our opinion as set out in this Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as at the Latest Practicable Date. In arriving at our opinion, with the consent of the Directors, we have taken into account certain factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to the IPT General Mandate which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or any specific group of Shareholders. As each Shareholder may have different investment objectives and profiles, we recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been advised by their own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Circular (other than this Letter and the extract of our opinion in the Circular).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any Shareholders may reproduce, disseminate or quote this Letter (or any part thereof) for any purpose, other than for the purpose of the EGM and for the purpose of the IPT General Mandate, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter pursuant to Rule 920(1)(b) of the Catalist Rules as well as for the use of the Independent Directors in connection with their advice to the Shareholders in relation to the IPT General Mandate. The recommendation made to the Shareholders in relation to the IPT General Mandate remains the responsibility of the Independent Directors.

Our opinion in relation to the IPT Mandate should be considered in the context of the entirety of this Letter and the Circular.

Responsibility Statement by the Directors

The Directors have confirmed that, having made all reasonable enquiries and to the best of their respective knowledge and belief, information and representations provided to us by the Company are accurate. They have also confirmed that, upon making all reasonable enquiries and to their best knowledge and belief, all material information available to them in connection with the IPT General Mandate, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the IPT General Mandate, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

3. THE IPT GENERAL MANDATE

3.1 Rationale for and benefits of the IPT General Mandate

The full text of the rationale for and benefits of the IPT General Mandate are set out in Section 2.4.1 of the Circular.

Prior to the listing of the Company on the Catalist in March 2019, the Group had engaged SLC to, *inter alia*, provide construction services to the Group for the construction of ESCAPE Adventureplay in 2012, and had appointed SLC as the main building contractor for ESCAPE Gravityplay in 2017. Construction on ESCAPE Gravityplay was completed in November 2019.

Subsequent to the completion of ESCAPE Gravityplay, the Group had from time to time undertaken upgrading works to maintain the attractions at ESCAPE Gravityplay. The Group had continued to engage SLC to provide their services, including purchase of construction materials on behalf of the Group. For FY2020, the value of the IPTs between SLC and the Group (excluding transactions that are less than S\$100,000) amounted to RM1.87 million.

It is envisaged that the Group may continue to engage SLC, from time to time, to undertake various design, construction, upgrading and maintenance related works. In view of the time-sensitive and recurrent nature of such commercial transactions, the Company is proposing the adoption of the IPT General Mandate, to facilitate entry into such IPTs with SLC which are part of the day-to-day operations of the Group, provided that they are made

on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

The IPT General Mandate, if approved by Shareholders at the EGM, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for each separate IPT to be entered into between the Group and SLC. This will substantially reduce the time and expenses associated with the convening of such general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives, avoid delays in the execution of transactions and enable the Group to maintain its overall competitiveness.

3.2 Mandated Interested Person

For the purpose of the IPT General Mandate, the Mandated Interested Person is SLC.

SLC is a private company incorporated and based in Malaysia, and is a registered contractor with the Construction Industry Development Board of Malaysia holding a G6 licence.

As at the Latest Practicable Date, Mr Sim and Ms Georgieva respectively hold 99.8% and 0.2% of the issued and paid-up capital of SLC. Both of them are also the only 2 directors of SLC but are not involved in the day-to-day operations of SLC, which is run and operated by its own management team comprising design managers, project managers, engineers and finance and administration managers, and which is separate and independent of the Group. SLC does not hold any shares in the Company.

SLC's principal activity is in the business of design and construction of theme attractions in theme parks and has over twenty years of experience in this industry.

Although SLC currently does not have any third party customers (other than the Group), SLC has the operational capabilities to also serve third party customers. Some of the projects which SLC was involved in with third party customers (other than the Group) include Sunway Lagoon Theme Park in Malaysia and Universal Studios Singapore.

3.3 Categories of mandated IPTs ("Mandated Transactions")

The categories of Mandated Transactions under the IPT General Mandate are as follows:

- (d) provision by SLC of services in the design and construction of the theme parks, and buildings and fixtures related to or located in the theme parks managed and operated by the Group from time to time;
- (e) provision by SLC of upgrading, retrofitting, maintenance, landscaping and renovation services for the theme parks managed and operated by the Group from time to time; and
- (f) purchase by SLC on behalf of the Group of services and materials from third party vendors for the purposes of the Group's operations and projects.

Under Rule 905(5) of the Catalist Rules, while transactions below S\$100,000 in value are not normally subject to the threshold and aggregation requirements pursuant to Rule 905(3) of the Catalist Rules, the SGX-ST may aggregate any such transaction entered into during

the same financial year and treat them as if they were one transaction in accordance Rule 902 of the Catalist Rules.

Taking into consideration the nature of the Mandated Transactions and Rule 905(5) of the Catalist Rules, the proposed IPT General Mandate will cover all Mandated Transactions even if they fall below S\$100,000, i.e. all Mandated Transactions, including those below S\$100,000 in value, will be subject to the guidelines and review procedures of the IPT General Mandate as set out in Section 3.4 below.

For the avoidance of doubt, any sale or purchase of assets, undertakings or businesses with the Interested Persons will not fall within the ambit of the proposed IPT General Mandate. All transactions with the Interested Person that do not fall within the ambit of the proposed IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

3.4 Guidelines and review procedures for IPTs

To ensure that all Mandated Transactions with the Mandated Interested Person are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders, the following procedures will be implemented by the Group:

- a) when engaging the design and/or construction services of the Mandated Interested Person, obtaining quotations from independent third party vendors may be difficult since the theming design and construction industry is a specialised trade and there may not be many contractors who are able to provide equivalent services of the same desired quality. Hence, the Group will engage an independent quantity surveyor to issue a bill of quantities report which will provide a reasonable market benchmark for the costs involved. In this case, the fee for such services by the Mandated Interested Person shall be a mark-up of 15% on the amount reflected in the final bill of quantities report prepared by the independent quantity surveyor. The Company is of the view that a mark-up of 15% on such amount is reasonable as it is determined with reference to the past margins charged by SLC to the Group and other third party customers of SLC;
- b) when engaging any upgrading, retrofitting, maintenance, landscaping and renovation services (save for the services set out under Paragraph 2.5.2(c) below) from the Mandated Interested Person, the charges payable by the Group shall be the actual cost incurred by the Mandated Interested Person in providing such services and related supply of materials, plus a pre-determined mark-up of 15%. Such services are expected to be lower in value compared to, and form part of the design and / or construction services provided by SLC to the Group. The Company is of the view that a mark-up of 15% on such amount is reasonable as it is determined with reference to the past margins charged by SLC to the Group and other third party customers of SLC, taking into consideration the resultant operational efficiency and assurance the Group will obtain that the Company's projects will be completed in a timely manner; and
- c) where the Mandated Interested Person purchases materials or engages services from third party vendors on behalf of the Group for the purpose of the Group's operations and projects, the costs payable by the Group shall be on a cost-reimbursement basis with respect to the costs incurred by the Mandated Interested Person in purchasing the materials or engaging the services, plus a pre-determined mark-up of 10%. The Company is of the view that such transactions will enable the Group to benefit from the close relationships and favourable credit terms established between SLC and such third party vendors. The Company is of the view that a mark-up of 10% is reasonable in this case to cover the administrative

resources and financing costs incurred by SLC when procuring such materials and services on behalf of the Group.

3.5 Approval thresholds

In addition to the guidelines and review procedures set out in Section 3.4 above, the following approval thresholds had been implemented to ensure that the Mandated Transactions are undertaken on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders:

(a) Category 1 threshold

The Category 1 threshold shall apply where the value of the Mandated Transaction entered into with the Mandated Interested Person is equal to or in excess of 3.0% of the latest audited NTA of the Group. Such Mandated Transaction must be reviewed and approved by the majority of the Audit Committee prior to entry of the same; and

(b) Category 2 threshold

The Category 2 threshold shall apply where the value of the Mandated Transaction entered into with the Mandated Interested Person is below 3.0% of the latest audited NTA of the Group. Such Mandated Transactions need not be approved by the Audit Committee prior to entry of the same but must be approved by (i) a member of the Audit Committee; and (ii) an executive officer as designated by the Audit Committee from time to time, or otherwise by another member of the Audit Committee, who shall not be an interested person, in respect of the particular transaction prior to entry. Where Category 2 Mandated Transactions are of a similar nature or category, such Category 2 Mandated Transactions will be aggregated, and where the value of such aggregated transactions amounts to or exceeds 3.0% of the Group's latest audited NTA, any subsequent Category 2 Mandated Transaction of a similar nature or category entered into with the same Mandated Interested Person during the same financial year will be subject to the review and approval by the majority of the Audit Committee prior to entry. Where the aggregate value of Category 2 Mandated Transactions amounts to or exceeds 3.0% of the Group's latest audited NTA, any subsequent Category 2 Mandated Transaction entered into with the same Mandated Interested Person during the same financial year will also be subject to the review and approval by the majority of the Audit Committee prior to entry.

The threshold limits set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, frequency and size of the Mandated Transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at with a view to strike a balance between (i) maximising the operational efficiency for the day-to-day business operations of the Group; and (ii) maintaining adequate internal controls and governance for the Mandated Transactions. The approval thresholds act as an additional safeguard to supplement the review procedures which had been implemented by the Company for interested person transactions generally. The Audit Committee will consider the revision of the approval thresholds as and when necessary and appropriate.

3.6 Additional guidelines and review procedures

In addition to the guidelines and review procedures as out in Section 3.4 above, the Company will also implement additional guidelines and procedures as set out in Sections 2.5.4, 2.5.5, 2.5.6 and 2.5.7 of the Circular, which are also set out below:

(i) Register of IPTs

The Company shall prepare all the relevant information to assist the Audit Committee in its review and will continue to keep a register to record all IPTs, including the Mandated Transactions as well as all IPTs below S\$100,000 in value (the “**IPT Register**”). The IPT Register records all information pertinent to the IPTs, including the identity of the Interested Persons involved in the IPTs, the nature and scope of the IPTs, the basis and amount.

The IPT Register is prepared, maintained and monitored by management personnel such as the Finance Manager (who shall not be interested in any of the IPTs) and who are duly delegated to do so by the Audit Committee.

(ii) Review by internal auditors

Where appropriate, the Group will incorporate a review of all IPTs, entered into at least on an annual basis, in its internal audit plan. The internal auditors will review the IPTs to check that, amongst other things, the relevant approvals have been obtained and the guidelines and review procedures for the IPTs have been adhered to. The internal auditors will forward their internal audit reports to the Audit Committee.

These internal audit reports will be reviewed by the Audit Committee on an annual basis to ascertain whether the guidelines and procedures established to monitor IPTs have been complied with.

(iii) Periodic reviews by Audit Committee

The Audit Committee shall on a quarterly basis or for such other periods as determined by the Audit Committee (but in any event not less frequent than once every quarter), review the IPT Register, and the basis and documents of all approved IPTs, to ensure that the IPTs have been conducted in accordance with the established procedures for review, and that the procedures for review, approvals as well as monitoring and administration are adequate, sufficient and adhered to, in ensuring that IPTs are undertaken on normal commercial terms, on an arm’s length basis and will not be prejudicial to the interests of the Company and its Minority Shareholders.

Pursuant to Rule 920(1)(b)(vii) of the Catalist Rules, if during its periodic review, the Audit Committee is of the opinion that the guidelines and procedures as stated above are inappropriate or not sufficient in the event of changes to the nature of, or manner in which, the business activities of the Group and / or SLC are conducted, the Company will seek a fresh mandate from Shareholders, where applicable, based on new guidelines and procedures to ensure that the Mandated Transactions will be carried out on an arm’s length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders. During the period prior to obtaining a fresh mandate from Shareholders, all transactions with the Mandated Interested Person will be subject to prior review and approval by the Audit Committee.

(iv) Interested members of the Audit Committee to abstain

In the event that any member of the Audit Committee is interested (directly or indirectly) in any transaction, he will abstain from participating in the review and approval process in relation to that particular transaction to ensure that the transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

3.7 Disclosure

In accordance with Rule 920(1)(a)(ii) of the Catalist Rules, the Company will announce the aggregate value of the Mandated Transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate for each financial period which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report.

In addition, in accordance with Rule 920(1)(a)(i) of the Catalist Rules, the Company will disclose in its annual report the aggregate value of the Mandated Transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT General Mandate is in force.

The name of the Interested Person and the corresponding aggregate value of the IPTs shall be presented in the following format in accordance with Rule 907 of the Catalist Rules:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
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3.8 Validity period of the IPT General Mandate

The proposed adoption of the IPT General Mandate is subject to Shareholders' approval at the EGM, and if approved, will take effect from the date of the passing of the ordinary resolution relating thereto at the EGM, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the date on which the next annual general meeting of the Company ("**AGM**") is held or is required by law to be held, whichever is earlier.

The renewal of the IPT General Mandate will be sought at each subsequent AGM (or EGM held on the same day as the AGM) subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Mandated Interested Person.

The Interested Persons (being Mr Sim and Ms Georgieva) and their associates will abstain from voting on such resolution for the renewal of the IPT General Mandate. Furthermore, they shall not act as proxies in relation to the resolution relating to the IPT General Mandate unless specific voting instructions have been given by the relevant Shareholder.

4. OUR OPINION

In arriving at our opinion in respect of the IPT General Mandate, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (a) rationale for and benefits of the IPT General Mandate;
- (b) Mandated Interested Person;

- (c) categories of Mandated Transactions; and
- (d) guidelines and review procedures for IPTs, including the additional guidelines and review procedures.

Based on the above and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the guidelines and review procedures for determining the terms of the Mandated Transactions as set out in Sections 3.4, 3.5 and 3.6 of this Letter and in Section 2.5 of the Circular, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of Company and its Minority Shareholders.

Our opinion is issued pursuant to Rule 920(1)(b) of the Catalist Rules as well as addressed to the Independent Directors for the purpose of their consideration of the IPT General Mandate. The recommendation to be made by them to the Shareholders shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any purposes, other than at the forthcoming EGM and for the purpose of the IPT General Mandate, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

SIM LEISURE GROUP LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201808096D)

All capitalised terms in this Notice shall, unless otherwise defined in this Notice, bear the respective meanings ascribed thereto in the circular to shareholders dated 16 May 2021 issued by the Company.

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** (“EGM”) of Sim Leisure Group Ltd. (“**Company**”) will be held by way of electronic means on Monday, 31 May 2021 at 12:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 11:00 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without any modifications the following Resolution set out below.

ORDINARY RESOLUTION:

PROPOSED ADOPTION OF THE INTERESTED PERSON TRANSACTIONS GENERAL MANDATE

THAT:-

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Company and/or its subsidiaries, to enter into any of the transactions falling within the types of interested person transactions set out under the IPT General Mandate as described in the Circular with the Mandated Interested Person, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions as set out in the Circular;
- (b) the proposed adoption of the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier;
- (c) the Audit Committee be and is hereby authorised to take such actions as it deems proper in respect of the review procedures for the interested person transactions and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors be and are hereby authorised to take such steps, approve all matters and enter into all such transactions, arrangements and agreements and execute all such documents and notices as may be necessary or expedient for the purposes of giving effect to the proposed adoption of the IPT General Mandate as such Directors or any of them may deem fit or expedient or to give effect to this ordinary resolution.

BY ORDER OF THE BOARD
SIM LEISURE GROUP LTD.

TAY ENG KIAT JACKSON
Chairman and Independent Director
16 May 2021

Notes:

- (1) Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM of the Company to be held on Monday, 31 May 2021 at 12:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 11:00 a.m. on the same day) (the “**Meeting**”) are set out in the Company’s announcement dated 16 May 2021 (the “**Announcement**”), which has been uploaded together with this Notice of EGM on SGXNet on the same day. The Announcement may also be accessed at the URL <https://simleisuregroup.com/announcements>. For the avoidance of doubt, the Announcement is circulated together with and forms part of this Notice of EGM in respect of the Meeting.

In particular, the Meeting will be held by way of electronic means and a member of the Company will be able to observe the proceedings of the Meeting contemporaneously through a “live” audio-visual webcast (“**LIVE WEBCAST**”) via his/her/its mobile phones, tablets or computers or listen to these proceedings contemporaneously through a “live” audio-only feed (“**AUDIO ONLY MEANS**”) via telephone.

For Shareholders who would like to observe the proceedings of the Meeting via LIVE WEBCAST, Shareholders will need to pre-register online at <https://forms.gle/DUxLEivt5EFqSYt7> and provide their personal particulars, no later than 11:00 a.m. on 28 May 2021 (being not less than seventy-two (72) hours before the time appointed for holding the annual general meeting of the Company on the same day) (the “**Registration Deadline**”) to enable the Company to verify the Shareholders’ status.

For Shareholders who would like to listen to the proceedings of the Meeting via AUDIO ONLY MEANS, Shareholders will need to pre-register with the Company’s Investor Relations team at investorrelations@simleisuregroup.com and provide their particulars, no later than the Registration Deadline to enable the Company to verify the Shareholders’ status.

Following authentication of his/her/its status as members of the Company, authenticated members of the Company will receive email instructions on how to access the LIVE WEBCAST and AUDIO ONLY MEANS to observe or listen to the proceedings of the Meeting by 30 May 2021.

A member of the Company who pre-registers to observe the LIVE WEBCAST or listen via the AUDIO ONLY MEANS may also submit questions related to the resolution to be tabled for approval at the Meeting. To do so, all questions must be submitted by 12:00 p.m. on 28 May 2021 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting) by email to investorrelations@simleisuregroup.com.

- (2) Due to the current COVID-19 situation in Singapore, a member of the Company will not be able to attend the Meeting in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
- (3) The Chairman of the Meeting, as proxy, need not be a member of the Company.
- (4) The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
- (a) if sent by post, be lodged at the office of the Company’s Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
 - (b) if submitted by email, be received by the Company’s Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

in either case, by 12:00 p.m. on 28 May 2021 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

- (5) The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.
- (6) A corporation which is a member may authorise by resolution of its director or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act.

Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the Meeting and/or any adjournment thereof, or (b) submitting details for the pre-registration to observe the proceedings of the Meeting via LIVE WEBCAST or AUDIO ONLY MEANS, or (c) submitting any question prior to the Meeting in accordance with this Notice of EGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the LIVE WEBCAST or AUDIO ONLY MEANS to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms Goh Mei Xian, Associate Director, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

PROXY FORM

SIM LEISURE GROUP LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 201808096D)

PROXY FORM – EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Form)

This proxy form has been made available on SGXNet and the Company's website and may be accessed at the URL <https://www.simleisuregroup.com/announcements>. A printed copy of this proxy form will NOT be despatched to members of the Company.

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM (as defined herein) are set out in the Company's announcement dated 16 May 2021 (the "Announcement") which has been uploaded together with the Notice of EGM dated 16 May 2021 on SGXNet on the same day. The Announcement may also be accessed at the URL <https://www.simleisuregroup.com/announcements>. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of EGM dated 16 May 2021 in respect of the EGM.
2. A member of the Company will not be able to attend the EGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. Please read the notes to this proxy form.

PERSONAL DATA PRIVACY

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 16 May 2021.

*I/We, (Name) (NRIC/Passport No./ Company Registration No.) of (Address) being a *member/members of **SIM LEISURE GROUP LTD.** (the "Company"), hereby appoints the Chairman of the extraordinary general meeting of the Company (the "EGM"), as *my/our proxy to vote for *me/us on *my/our behalf at the EGM to be held by way of electronic means on Monday, 31 May 2021 at 12:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 11:00 a.m. on the same day) and at any adjournment thereof. *I/We direct the Chairman of the EGM to vote for or against, or abstain from voting on the Resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the appointment of the Chairman of the EGM as *my/our proxy will be treated as invalid.

The Resolution put to the vote at the EGM shall be decided by way of poll.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant Resolution, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for the Resolution, you are directing your proxy, who is the Chairman of the EGM, not to vote on the Resolution.

Ordinary Resolution	By way of poll		
	For	Against	Abstain
To approve the proposed adoption of the IPT General Mandate			

Dated this _____ day of _____ 2021

Total Number of Shares Held in:	
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or, Common Seal of Corporate Member

*Delete as appropriate

**IMPORTANT: PLEASE READ NOTES FOR PROXY FORM CAREFULLY BEFORE
COMPLETING THIS PROXY FORM
NOTES TO PROXY FORM:**

1. Please insert the total number of shares in the capital of the Company (“Shares”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the EGM as proxy shall be deemed to relate to all the Shares held by you.
2. Due to the current COVID-19 situation in Singapore, a member of the Company will not be able to attend the EGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This instrument appointing the Chairman of the EGM as proxy must:
 - a) if sent by post, be lodged at the office of the Company’s Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
 - b) if submitted by email, be received by the Company’s Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

in either case, by 12:00 p.m. on 28 May 2021 (being not less than seventy-two (72) hours before the time appointed for holding the EGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

4. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
 - a) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.
 - b) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
5. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Cap 50) of Singapore, the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
6. For investors who hold Shares under the Supplementary Retirement Scheme (“SRS Investors”), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS Investors who wish to appoint the Chairman of the EGM to act as their proxy should approach their respective SRS Operators to submit their votes at least seven (7) working days before the EGM.

General:

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of EGM dated 16 May 2021.